

**FARRIS MATHEWS BRANAN
BOBANGO HELLEN & DUNLAP PLC**

ATTORNEYS AT LAW

HISTORIC CASTNER-KNOTT BUILDING
618 CHURCH STREET, SUITE 300
NASHVILLE, TN 37219

(615) 726-1200 telephone
(615) 726-1776 facsimile

MEMPHIS DOWNTOWN
One Commerce Square, Suite 2000
Memphis, Tennessee 38103
Telephone 901-259-7100
Facsimile 901-259-7150

Charles B. Welch, Jr
cwelch@farnismathews.com

RECEIVED

2004 OCT -5 PM 4:27

MEMPHIS EAST
1100 Ridgeway Loop Road, Suite 400
Memphis, Tennessee 38120
Telephone 901-259-7120
Facsimile 901-259-7180
TRAFFIC ROOM

Reply to
Nashville Office

October 5, 2004

Chairman Pat Miller
Attn: Sharla Dillon
Tennessee Regulatory Authority
460 James Robertson Parkway
Nashville, Tennessee 37243-0505

VIA HAND DELIVERY

RE: Petition of King's Chapel Capacity, LLC for a Certificate of Public Convenience and Necessity to Provide Wastewater Service – Docket No. 04-00335

Dear Chairman Miller:

Please find enclosed an original and 14 copies of the above referenced petition. I have enclosed our firm check in the amount of \$25.00 to cover the filing fee. Please date and stamp a copy for our records.

Thank you for your assistance regarding this matter. If you have any questions, or if I may be of further assistance, please do not hesitate to contact me.

Very truly yours,

FARRIS MATHEWS BRANAN
BOBANGO HELLEN & DUNLAP, PLC

Charles B. Welch, Jr.
Charles B. Welch, Jr.

CBW/ale

**BEFORE THE TENNESSEE REGULATORY AUTHORITY
NASHVILLE, TENNESSEE**

IN RE:

**PETITION OF KING'S CHAPEL)
CAPACITY, LLC FOR CERTIFICATE OF)
CONVENIENCE AND NECESSITY TO)
SERVE AN AREA IN WILLIAMSON)
COUNTY, TENNESSEE KNOWN AS)
ASHBY COMMUNITY)**

DOCKET NO. _____

PETITION

King's Chapel Capacity, LLC ("Petitioner"), by its undersigned counsel, pursuant to Tennessee Code Annotated, §65-4-201 et seq, and Chapter 1220-1-1-03 of the Tennessee Regulatory Authority's ("Authority") Rules and Regulations, submits its application for a Certificate of Public Convenience and Necessity to operate wastewater disposal systems. The Petitioner contends that approval of the Application is in the public interest in that its services will benefit consumers and, in support thereof, the Petitioner states as follows:

1. Petitioner is a limited liability company created and existing in accordance with the laws of the State of Tennessee as evidenced by Exhibit One (1) and incorporated herein by reference.
2. Petitioner is an affiliate of Ashby Communities, LLC, and was created in order to provide wastewater services to the Ashby Communities development. In order to provide for wastewater services, Ashby Communities, LLC has constructed a wastewater system (the "Systems") of approved design by the Tennessee Department of Environment and Conservation ("TDEC") and transferred this wastewater system to Petitioner to operate

3. Petitioner is a public utility as defined in T.C.A. 65-4-101 and subject to the regulation of the Authority. The stock of said utility is privately owned and the utility is not owned or operated by any municipal form of government.
4. Petitioner seeks a Certificate of Convenience and Necessity from the Authority.
5. Petitioner desires to operate as a private utility company and provide wastewater services in Williamson County, Tennessee.
6. Petitioner ultimately anticipates providing wastewater services to 269 single family homes in Williamson County, Tennessee in the service area identified on Exhibit Two (2) attached to this Petition.
7. TDEC, Division of Water Pollution Control has approved the installation of the System to serve Ashby Communities.
8. Wastewater services are not available from any other utility company in the proposed service area. Attached as Exhibit Two (2) to this Petition is a letter from the effected utility and excerpts from the Williamson County, Tennessee comprehensive plan reflecting that the County has no interest in providing wastewater services in the proposed service area.
9. Neither the City of Franklin, or the government of Williamson County, presently have any sanitary sewer service lines that would be affected by the Petitioners proposed wastewater service.
10. The owners of Petitioner are Charles Pinson, John Powell and Elaine Powell. The owners have significant financial assets as shown in Exhibit Four (4) attached to this Petition that are dedicated to provide wastewater service to Ashby Communities. In

addition, the owners of the Petitioner recognize that it may be some time before the customer base of Ashby Communities is of adequate size in order to fully support the annual cost of providing wastewater service. The owners therefore stand ready to provide the additional financial support necessary until the system is self supporting.

11. Petitioner has the managerial capability to provide wastewater service. As shown on Exhibit Five (5) attached to this Petition, John Powell, president, of King's Chapel Capacity, LLC, has successfully managed several companies over a number of years. In addition, the Petitioner has engaged various legal, accounting and regulatory experts to assist it with these managerial duties. Petitioner states that it is aware of all reporting requirements and rules and regulations of the Authority and will comply with these requirements.

12. Petitioner has the technical ability to provide wastewater service. As shown on Exhibit Six (6), James Johnson has been employed by the Petitioner to operate the system. Mr. Johnson has as Class IV wastewater operator permit as required by TDEC and has operated similar systems for Williamson County for over 19 years.

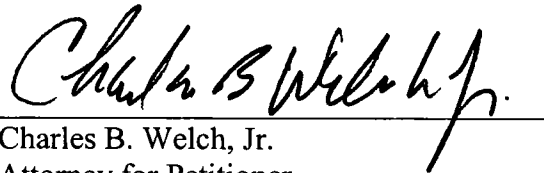
13. The Petitioner has prepared proposed Tariffs, Rules and Regulations, and a Customer Service Application, attached as collective Exhibit Seven (7) for approval by the Authority. Petitioner has adopted the present Rate and Rules & Regulations of similar wastewater utilities under the Authority's jurisdiction. Petitioner states that the rates of these other utilities have already undergone the scrutiny of a formal rate case by the Authority, and are more appropriate to include as the initial billing rates than any other independent analysis that the Company could determine on its own.

WHEREFORE, PETITIONER PRAYS:

1. That the Authority grants a Certificate of Convenience and Necessity.
2. That the Tariff, Rules & Regulations and Customer Service Application be approved for the Petitioner.
3. That this matter be set for hearing.
4. For such other relief as it may be entitled under the premises.

Respectfully submitted,

**FARRIS MATHEWS BRANAN
BOBANGO HELLEN & DUNLAP, PLC**

A handwritten signature in cursive script, reading "Charles B. Welch, Jr.", is written over a horizontal line.

Charles B. Welch, Jr.
Attorney for Petitioner
618 Church Street, Suite 330
Nashville, TN 37219
(615) 726-1200

EXHIBIT ONE
CERTIFICATE OF EXISTENCE

Secretary of State
Division of Business Services
312 Eighth Avenue North
6th Floor, William R. Snodgrass Tower
Nashville, Tennessee 37243

ISSUANCE DATE: 09/29/2004
REQUEST NUMBER: 04273119
TELEPHONE CONTACT: (615) 741-6488

CHARTER/QUALIFICATION DATE: 04/13/2004
STATUS: ACTIVE
CORPORATE EXPIRATION DATE: PERPETUAL
CONTROL NUMBER: 0469590
JURISDICTION: TENNESSEE

TO:
FARRIS MATHEWS BRANAN BOBANGO & HELLEN
618 CHURCH STREET
STE 300
NASHVILLE, TN 37219

REQUESTED BY:
FARRIS MATHEWS BRANAN BOBANGO & HELLEN
618 CHURCH STREET
STE 300
NASHVILLE, TN 37219

CERTIFICATE OF EXISTENCE

I, RILEY C DARNELL, SECRETARY OF STATE OF THE STATE OF TENNESSEE DO HEREBY CERTIFY THAT

"KING'S CHAPEL CAPACITY, LLC"

A LIMITED LIABILITY COMPANY DULY FORMED UNDER THE LAW OF THIS STATE WITH DATE OF
FORMATION AND DURATION AS GIVEN ABOVE;
THAT ALL FEES, TAXES, AND PENALTIES OWED TO THIS STATE WHICH AFFECT THE
EXISTENCE OF THE LIMITED LIABILITY COMPANY HAVE BEEN PAID;
THAT ARTICLES OF DISSOLUTION HAVE NOT BEEN FILED; AND
THAT ARTICLES OF TERMINATION OF THE EXISTENCE HAVE NOT BEEN FILED.

FOR: REQUEST FOR CERTIFICATE

ON DATE: 09/29/04

FROM:
FARRIS MATHEWS BRANAN BOBANGO&HEL(618 CH
618 CHURCH ST
SUITE 300
NASHVILLE, TN 37219-0000

RECEIVED: FEES \$20.00 \$0.00
TOTAL PAYMENT RECEIVED: \$20.00

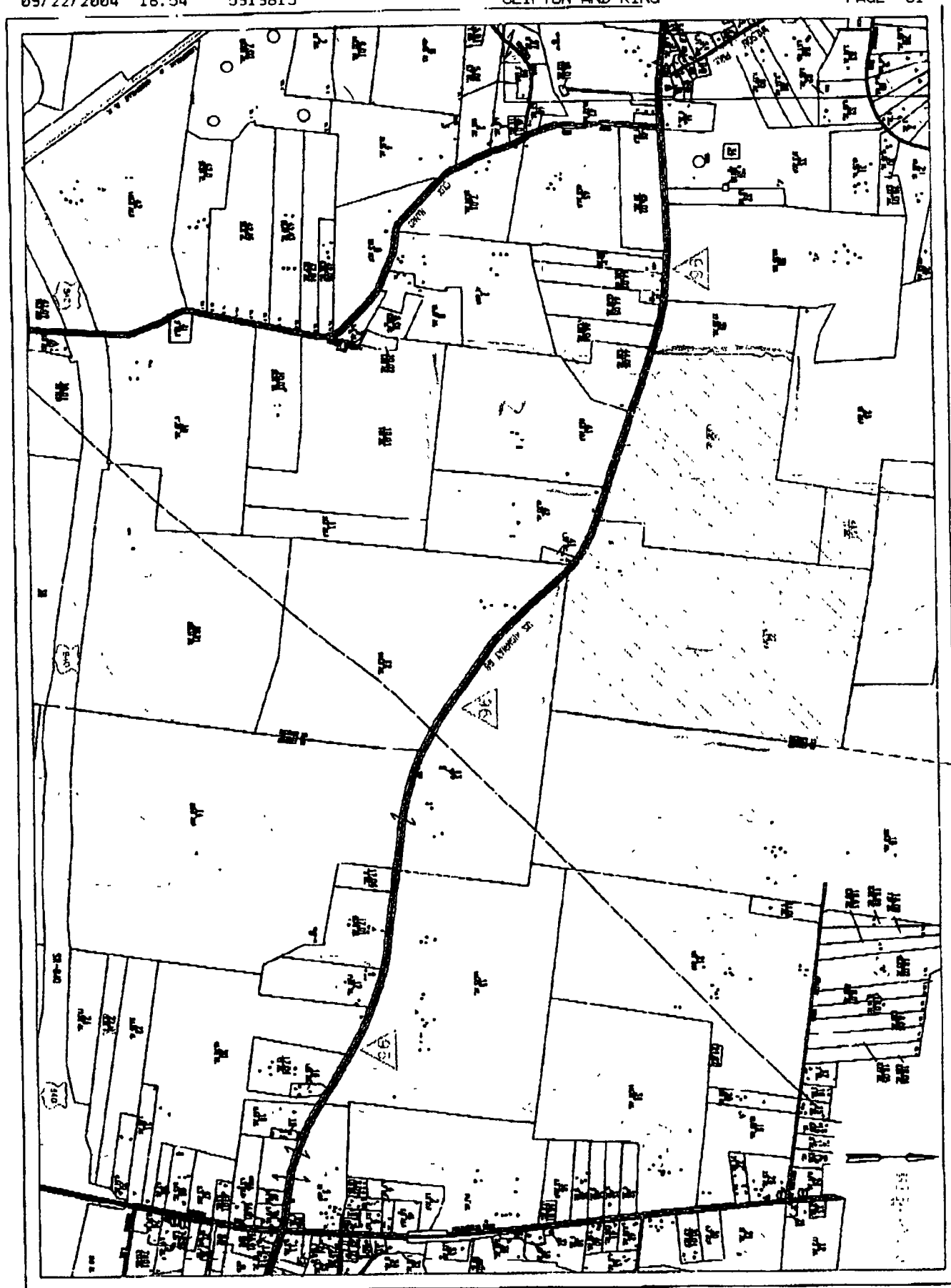
RECEIPT NUMBER: 00003590523
ACCOUNT NUMBER: 00000448



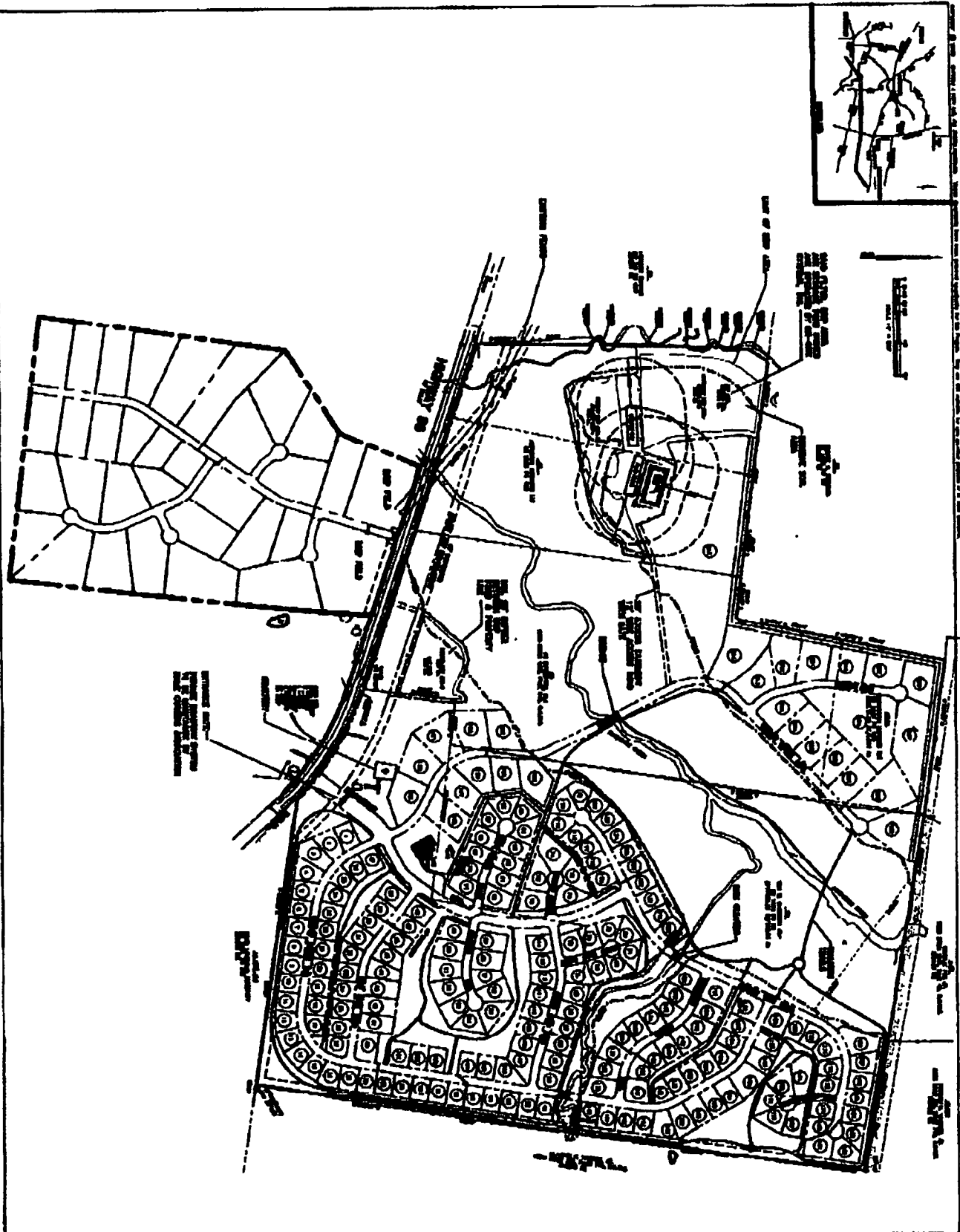
Riley C Darnell

RILEY C DARNELL
SECRETARY OF STATE

EXHIBIT TWO
SERVICE AREA MAPS



N



SUBDIVISION ENTRANCE
MEADOWBROOK SUBDIVISION
A PLANNED RESIDENTIAL CONSERVATION DEVELOPMENT
ARRINGTON WILLIAMSON COUNTY TENNESSEE

03328



CLIFTON & KING, LLC
1111 E. LAMAR AVE.
MEMPHIS, TN 38103
901.521.1234
WWW.CLIFTONANDKING.COM

EXHIBIT THREE

UTILITY LETTER AND COUNTY PLAN



September 29, 2004

Mr. John Powell
1413 Plymouth Drive
Brentwood, TN 37027

Dear John:

Milcrofton Utility District does not have authority to provide sewer service within its boundaries. In its order of creation, the District is only authorized to provide water service. I hope this information is helpful to you.

Sincerely yours,

A handwritten signature in cursive script that reads "Carl Scott".

Carl Scott, General Manager

CS/vs

6333 Arno Road • Franklin, Tennessee 37064
(615) 794-5947 • Fax (615) 791-9872

Williamson County, Tennessee
Comprehensive Plan

As the plan relates to Sewer Service

Page 20 attached

Defines areas the county designates to provide Sewer Service for the petitioned area is not included within those designated areas

Page 21 attached

Objectives. In all other suburban and urban areas, developers shall provide land treatment systems. Petitioned area will be serviced by a land treatment system

Page 90 attached

While the county is committed to providing adequate water and sewer service, it is not presently in a position to do so.

Page 105 attached

At the time of adoption of this plan there are no areas in the unincorporated area of the County in which the County is prepared to provide public sewers and a treatment plant.

There is more than one way to provide sewer service and there are many ways in which treatment may be provided. In this case the County initially does not intend to be the provider of sewer facilities.

9. Affordable housing units shall be permitted with a density bonus pursuant to regulations that both limit the total percentage of such units in a neighborhood or subdivision and require that the units be scattered throughout the neighborhood or subdivision. [Division 5300.]
10. Dwellings located on farms and intended for family members shall be treated as a special case to ensure the provision of adequate and affordable dwellings for related agricultural workers. [Section 5400.]

Sewage Treatment

The soils of Williamson County are very poorly suited for the use of septic systems. Since a primary goal of this Plan is environmental protection, it would be very contradictory to require developers and property owners to meet the strong natural resource protection standards of the Zoning Ordinance and yet approve septic systems on inadequate soils. The County is also very concerned with the providing a full range of housing opportunities. The soils are so poor that only very large lot development would be suitable for septic systems in vast areas of the County. The reliance on such systems would effectively raise the cost of housing well beyond the reach of the great majority of County residents.

At the same time, the residents and officials of the County have made it perfectly clear that the County and its taxpayers should avoid having to foot the bills involved in providing necessary facilities and services to new residents and/or subsidizing the profits of the development industry. Few portions of the County are situated so as to be readily connected to the sewage treatment systems of current service providers.

In light of these facts, the County must promote a means of sewage treatment that balances environmental protection, affordable housing, and fiscally responsible development goals. Land treatment systems are ideally suited to meeting these concerns.

GOAL:

To provide sewer service for all areas designated Suburban or Urban on the Growth Management Plan Maps.

The County has five major areas of suburban development proposed on the Land Use Plan Map. They are widely scattered. One is northwest of Fairview. Another is in the extreme northeastern corner of the County, adjacent to Metro. One dispersed area adjoins the City of Franklin on its north, west, and southeast sides. One is located north of Spring Hill, and the final suburban area is designated on both sides of I-65 between

Franklin and Spring Hill. There are several watersheds in some of these areas, so that service is logically divided into different zones. The following objectives guide the techniques used to determine how sewer service is to be provided.

OBJECTIVES:

1. In areas on the Davidson County line or near Brentwood and Franklin where those communities have plants with available capacity, the County shall work with developers and land owners to get logical extensions of existing sewer service into the Suburban or Urban areas designated on the Land Use Plan Map.
2. In all other Suburban or Urban areas, developers shall provide land treatment systems.

As developers begin to develop in the Suburban areas, it is impossible for the County to provide the needed sewers. The County can not afford to establish plants or interceptors in all of the designated areas. Also, the County cannot predict where development is likely to occur first. As a result, developers will have to install the land treatment plants when they get ready to build. The County has set the ground rules for this process. First, the County will review the vicinity and set the service area for the plant--generally using the watershed or a portion of a watershed as boundaries. This will ensure that the plants are designed to service logical areas. The County will provide for recapture or other methods of financing the needed improvements where the developer must service a much larger area than his development (see discussion in Chapter 6 of this Plan). Lastly, the County has established the general guidelines for the development of land treatment systems. The objective is to provide a common method of treatment so that when the County accepts dedication of the facilities, they will be of similar design and result in low operating and maintenance costs for the residents.

In some cases the service areas are logically defined at present. In other instances, the service area will have to be determined when the developer makes application for site plan review to the County. The following policies govern the development of service areas.

POLICIES:

1. The sewer service map designates areas to be served by other governmental entities (Metro or a municipality).
2. Where a proposed development lies within an area designated for service by Metro or one of the municipalities, the developer must either obtain sewer service from these governmental bodies or develop at densities serviceable by septic tanks.

CHAPTER VII

SEWAGE TREATMENT

Introduction

The Growth Management Plan calls for the development of several areas of suburban and urban development. The densities of those areas requires that they be served by public water and sewer. At the time of adoption of this Plan there are no areas in the unincorporated area of the County in which the County is prepared to provide public sewers and a treatment plant. In fact there is great concern on behalf of the County that the streams, creeks and rivers of the County are already carrying as large an effluent load as is possible, and definitely more than is desirable.

There is more than one way to provide sewer service and there are many ways in which treatment may be provided. In this case the County initially does not intend to be the provider of sewer facilities. The County has designated as suburban or urban those areas that should be served. The County will serve as the design review agency and will ensure that facilities which are built by developers and turned over to the County for operation are designed so as to best serve the needs of the County's residents.

While there are some unincorporated areas where sewer extensions from existing facilities are possible, for most areas the best means of providing sewer service to population of the suburban areas will be through the construction of new facilities. The Plan recommends strongly that all such new facilities be land treatment facilities.

The conventional approach to sewerage was "treatment by dilution". This term is, in fact, a misnomer, as it was not treatment, but, simply the hope that the material would disappear if mixed with a sufficient quantity of water. Anybody who has waded the West Harpeth on a summer day will know that Williamson County is not blessed with large amounts of water. Clearly, the dilution approach had to be modified. Technology was the next approach. The idea was to treat the water in a plant to remove at least some of wastes. As Williamson County has grown those communities with sewer plants have found they have had to remove increasing amounts of pollutants. Now, even with very complex facilities, the Harpeth River has reached a point where it can't handle any more nutrients.

Removal of nutrients in treatment plants is a very complex process, furthermore it requires handling the sewerage frequently which creates potential for odor and accidents. Another problem with the conventional treatment plant is in order to remove the pollutants, the various reactions and processes each

When a new house is built, there is up to a year's delay before taxes based on the new construction are collected. A \$0.20 per square foot privilege tax rate on residential property would generate approximately \$350,000 which would pay the first year's cost for a new school. It is estimated that the projected growth will generate the need for a new school each year or approximately 600 students per year in both the County and the Special School Districts. Since 90% of the capital cost for building new schools is borne mostly by commercial and industrial property taxes, and since there is a delay in building commercial property after residents move here, the privilege tax is set to pay for the first two years of the capital cost of building a new school. This should keep the current tax rate for debt retirement at the same level as well as help shift the burden for supporting new schools from farmland and commercial properties which benefit the least from the new schools.

Water and Sewer

While the County is committed to providing adequate water and sewer service, it is not presently in a position to do so. With the approval of a major development in the central suburban area, the County will get into the sewer business. Presently, utility districts and municipalities supply all the water to the unincorporated area. Utility districts and the County share a major problem in the unincorporated areas of the County. Development is, and will continue to be, widely scattered. The water system in most parts of the County is a rural water system designed to provide minimum water to farmsteads, it is not designed to handle the water supply and fire protection needs of estate and suburban development. There is no source of sewer in unincorporated areas on a widespread basis.

In general, the County has made a commitment to get into the sewer business in Suburban and Urban areas of the County. Since all the County is in one or another utility district, it is, in theory, entirely served with water. There are areas where homes continue to rely on wells and the level of water supply available is highly variable.

What is an adequate level of water service? This is an important policy issue. The level of water service which the County will require as a condition of subdivision or zoning approval is based on the character of the area. The rural and estate areas of the County are very low density and will continue to have widely scattered development. In general, the homes will be on very large lots and widely spaced. A rural level of water service, therefore, is appropriate. A rural level of service can be met by either a private well, or an approved public water supply with a real delivery rate for domestic service with a residual pressure of twenty pounds per square inch (psi). There is nothing to stop a developer from seeking a higher level of service (as specified for other areas), that is clearly a marketing decision.

EXHIBIT FOUR

**FINANCIAL ASSETS OF KING'S CHAPEL CAPACITY DEDICATED TO
PROVIDING WASTEWATER SERVICE**



Judith L. Hanson
First Tennessee Bank National Association
231 Public Square, Suite 301
P. O. Box 100
Franklin, TN 37065-0100
Ph (615) 790-5163 Fax (615) 790-5186

All Things Financial™

Memo

From: Judith L. Hanson
To: Hang Rock, LLC
Date: September 29, 2004
Re: Letter of Credit Fees

To date First Tennessee Bank has issued three Letters of Credit for the above referenced customer for subdivision improvements in Kings Chapel. The Underwriting fee for each of these L/Cs was 1% plus courier fees for delivery as per attached.

A handwritten signature of Judith L. Hanson in cursive script, written over a horizontal line.
Judith L. Hanson

OLD BUSINESS - ITEM 1

**KINGS CHAPEL, SECTION 1, REVISION TO PERFORMANCE BOND
AMOUNT FOR SEWER.**

Attachment 1

Letter, Smith Seckman Reid, Inc.

The final plat for this project was approved at the June '04 meeting. Since that time, the County's consultant has discovered that he wrongly factored a portion of the bond amount for sewer. The bonding amounts for sewer should read as follows:

Performance Bond

Collection System: \$160,360.00 X 1.5= \$240,540.00
Treatment System: \$505,471.97 X 1.5= \$758,208.00

TOTAL PERFORMANCE BOND \$998,208.00

Back-up Bond (unchanged)

Treatment and Disposal System: \$434,000.00 X 1.5=\$651,000.00

TOTAL RECOMMENDED BOND AMOUNT \$1,649,748.00

Staff recommends that the revised bond amount be made a part of the record. Furthermore, Staff recommends the remaining bond amounts be re-confirmed in order that their coming review dates will be consistent. Included are:

1. Performance bond for roads, drainage and erosion control in the amount of \$431,000;
2. Performance bond for landscaping in the amount of \$8,400;
3. Posting of funds-in-lieu of detention in the amount of \$28,780; and
4. Verification of the posting of a performance bond for water in the amount of \$122,500 with Milcrofton Utility District.

Reviewer: JH
Date: 08/12/04

EXHIBIT FIVE
OWNER RESUMES

CURRICULUM VITAE

CHARLES WRIGHT PINSON, M.D., M.B.A., F.A.C.S.

Current Positions and Office Address:

C Wright Pinson, M D
H. William Scott Professor of Surgery
Chief Medical Officer
Associate Vice-Chancellor for Clinical Affairs
Director, Vanderbilt Transplant Center
Vanderbilt University Medical Center
1301 22nd Avenue South
Suite 3810 TVC
Nashville, TN 37232-5545

Phone. (615) 343-9324

Date of Birth: May 29, 1952

Educational Background:

1976-1980	M.D.	Vanderbilt University School of Medicine	Medicine
1974-1976	M B.A.	University of Colorado Graduate School of Business Administration	Finance
1972-1974	B A.	University of Colorado	Physics
1970-1972		Miami University	Physics

Postdoctoral Training:

1987-1988	Fellow in Surgery, Harvard University
	Henry Fellow in Transplantation, New England Deaconess Hospital
1986-1987	Fellow in Gastrointestinal Surgery, Lahey Clinic Medical Center
1985-1986	Chief Resident in General Surgery, Oregon Health Sciences University
1983-1984	American Heart Association Postdoctoral Research Fellow, Department of Physiology, Oregon Health Sciences University
1981-1985	Resident in General Surgery, Oregon Health Sciences University
1980-1981	Intern in General Surgery, Oregon Health Sciences University

Academic and Staff Appointments:

2001-present	H. William Scott Professor of Surgery, Vanderbilt University
1990-present	Member, Division of Surgical Oncology, Vanderbilt University
1990-present	Staff Surgeon, Nashville Veterans Affairs Medical Center
1990-2001	Professor of Surgery, Vanderbilt University
1990	Associate Professor of Surgery, Oregon Health Sciences University
1988-1990	Assistant Professor of Surgery, Oregon Health Sciences University
1988-1990	Assistant Professor of Physiology, Oregon Health Sciences University
1988-1990	Staff Surgeon, Portland Veterans Affairs Medical Center
1987-1988	Fellow in Surgery, Harvard Medical School
1986-1987	Fellow in Surgery, Lahey Clinic Medical Center

John Powell

Education

Hendersonville High School 1978
Tennessee Tech University
Cookeville TN 1978 – 1981
Tennessee State University
Nashville 1981 – 1982

1983 President – BJ McAdams Truck line, Little Rock Arkansas.

Structure financing of \$26,000,000.00 purchase of this corporation using several banks and financial institutions across the country Took control completed refinancing of company, then resold back to original owners

1985 Vice Chairman Finance, President Regan's 2nd Inaugural Taste of America

Responsible for all financial accounts and tracking of expenses related to this inaugural event. Managed a volunteer accounting staff of approximately 12, several of which were CPA's

1986 to Present - Trailer Lease, Inc.

1986 Purchased A&R Semi Trailer Rental Nashville, TN.
1991 Purchased Guinns Semi Trailer Rental
1997 Purchased C&G Semi Trailer Rental
1998 Purchased B&H Semi Trailer Rental
1999 Purchased Ashland City Semi Trailer Rental

Negotiated the purchase and financing to acquire all of the above companies for my wife and me.

In 1991, the trailer rental company was renamed from A&R to Trailer Lease, Inc. Today Trailer Lease has the largest market share of business in the Middle Tennessee area. We have that market share because of 18 years of on going service to our customers

During the past several years we have made commercial real estate investments in Davidson County and Williamson County

EXHIBIT SIX
OPERATOR RESUME

JAMES B. JOHNSON

707 Williamsburg Drive

Smyrna, TN 37167
james-johnson@comcast.net

615-355-0279

Education:

B.S. in Biology with minors in Psychology and Sociology and Economics;
Western Kentucky University, Bowling Green, KY., August, 1967.

M.S. in Agency Counseling with emphasis in Criminology, Indiana State
University, Terre Haute, IN., December, 1975.

Professional Training at the Flemming Training Center, Murfreesboro, TN
in Wastewater in 1993, was followed by testing and certification as a
Class IV Wastewater Treatment Operator in 1994. The State issued
license is kept current with Continuing Education Courses.

Experience:

Terre Haute, IN Wastewater Treatment Plant, 1985 to 1990. (Grade IV plant).
Franklin, TN, Wastewater Treatment Plant, 1992 to present. (Grade IV plant).
Goosecreek Inn Wastewater Treatment Plant, 1993 to present. (Grade I
plant)

TravelCenters of America, Franklin, TN. Wastewater Treatment Plant, 1996
to present (Grade I plant)

Bill Rice Ranch Wastewater Treatment Plant, 2003 to present. (Grade II
plant)

Related Coursework:

I have taken numerous State taught and sponsored courses related to
different plant types and operating systems. Also, I have attended classes on
PLC systems as many operating features in wastewater plants are now
computerized. Finally I have received formal instruction on pump and
motor operation and rebuilding.

EXHIBIT SEVEN
PROPOSED TARIFF

King's Chapel Capacity

Wastewater Service Tariff

TRA #1
Cost of Residential Services

**King's Chapel Capacity
Operation and Maintenance Costs**

Collection Systems

Tariff Item #	Description	Monthly Amount	Monthly Escrow
1	Collection System – Tank Pumping	\$3.10	\$3 10
2	Collection System – Equipment Replacement	3.25	3 25
3	Collection System – Preventative Maintenance	1.10	0.00
4	Collection System – Service Calls	1 50	0.00
	Total	\$8.95	\$6.35

**King's Chapel Capacity
Treatment System Costs**

Sand/Gravel Systems

Tariff Item #	Description	Monthly Amount	Monthly Escrow
5	Treatment System – Tank Pumping	\$2 53	\$0.00
6	Treatment System – Equipment Replacement	0 80	0.00
7	Treatment System – Preventative Maintenance	2.90	2 90
	Total	\$6.23	\$2.90

King’s Chapel Capacity
Treatment System Costs

Lagoon Systems

Tariff Item #	Description	Monthly Amount	Monthly Escrow
8	Treatment System – Preventative Maintenance	\$1.10	\$0 00
9	Treatment System – Trouble Calls	0 30	0.00
10	Treatment System – Equipment Replacement	1.20	1 20
	Total	\$2.60	\$1.20

King's Chapel Capacity
TRA #1
Wastewater Tariff

Sheet #4
Effective Date _____

**King's Chapel Capacity
Utility Costs**

All Systems

Tariff Item #	Description	Monthly Amount	Monthly Escrow
11	Utility Costs – Systems with Sand/Gravel Filter Treatment	\$0.80	\$0.00
12	Utility Costs – Systems with Lagoon Treatment	0.30	0.00
13	Utility Costs – Systems with Pump Stations	0.50	0.00
14	Utility Costs – Systems with Metering Stations	0.35	0.00

**King's Chapel Capacity
Disposal System Costs**

Drip Irrigation Systems

Tariff Item #	Description	Monthly Amount	Monthly Escrow
15	Disposal Costs – Preventive Maintenance	\$0 45	\$0.00
16	Disposal Costs – Trouble Calls	0 20	0 00
17	Disposal Costs – Equipment Replacement Costs	0 88	0.88
	Total	\$1.53	\$0.88

**King's Chapel Capacity
Sampling, Testing and Reporting Costs**

All Systems

Tariff Item #	Description	Monthly Amount	Monthly Escrow
18	Sampling, Testing and Reporting Costs – Systems with Drip Irrigation Disposal	\$7 00	\$0 00
19	Sampling, Testing and Reporting Costs – Systems with Lagoon Disposal	9.20	0.00

**King’s Chapel Capacity
Billing and Collecting Costs**

All Systems

Tariff Item #	Description	Monthly Amount	Monthly Escrow
20	Billing and Collecting Costs – All Systems	\$1 50	\$0.00

**King's Chapel Capacity
Miscellaneous Costs**

All Systems

Tariff Item #	Description	Monthly Amount	Monthly Escrow
21	Miscellaneous Costs – Rate Regulatory Expense	\$0 40	\$0.00
22	Miscellaneous Costs – Environmental Regulatory Expense	0.52	0 00
23	Miscellaneous Costs – Bonding Cost Pass Through	**	0 00
24	Miscellaneous Costs – Bonding Cost Pass Through	**	0.00
25	Miscellaneous Costs – Franchise Taxes	0.52	0 00
26	Miscellaneous Costs – Excise Taxes	0 30	0 00
27	Miscellaneous Costs – Property Taxes	0.95	0.00
28	Miscellaneous Costs – Federal Taxes	1.11	0.00
29	Miscellaneous Costs – Local Management Fee	2.00	0 00
30	Miscellaneous Costs – Corporate Management Fee	2 80	0.00
31	Miscellaneous Costs – County/City imposed Treatment Cost Pass Through	**	0.00
	Total	\$8.60	\$0.00

** These costs are passed through without markup to customers as charged by local taxing agencies.

King's Chapel Capacity

Wastewater Service Tariff

TRA #2
Rules and Regulations

RULES AND REGULATIONS

Governing the wastewater collection and treatment systems of King's Chapel Capacity.

Statement of Purpose:

The general purpose of these Rules and Regulations is:

- 1 To institute measures and procedures for serving the customers and service area of Williamson County Capacity on a uniform basis. Included are
 - a. The Definition of Terms.
 - b. The Authorization of Rules.
 - c. Identifying the Service
 - d. Establishing Property Easements.
 - e. Establishing Discontinuance of Service Policies
 - f. Stating Non-payment Penalties.
 - g. Establishing Returned Check Policy.
 - h. Establishing Policy for Changes of Property Owners or Tenants
 - i. Establishing Policy for Security Deposits
 - j. Establishing Sewer Access Fees.
- 2 To provide standards and procedures for.
 - a. Establishing wastewater characteristics acceptable for the treatment systems
 - b. Establishing the criteria for a system free of inflow and infiltration.
 - c. Required design standards.
 - d. Construction and materials standards.
 - e. Inspection Requirements
 - f. Quality of materials.

Definition of Terms:

1. Collector Line - Shall mean the line from the service line to the main line.
2. Company - Shall mean Williamson County Capacity
3. Customer - Shall mean any person, firm, corporation, association, company, or government unit furnished sewage services by Williamson County Capacity
4. Main Line - Shall mean the line from the collector line to the treatment facility
5. Operator/Engineer - Shall mean the Licensed Wastewater Operator and/or consulting engineer of Williamson County Capacity or design engineer.
6. Property - Shall mean all facilities owned and/or operated by the company
7. Pumping Station - Shall mean a tank containing pump(s) and receives effluent from a STEG/STEP tank and/or collector lines.
8. Service Line - Shall mean the line from the STEP/STEG tank to the collector line

9. STEG tank - Shall mean any tank located near a building containing an effluent filter for the purposes of accepting sewage waste.
10. STEP tank - Shall mean any tank located near a building containing a pump vault for the purposes of accepting sewage waste.
11. Stub-out line (building collector line) - Shall mean the line that carries the sewage waste from the building to the STEP/STEG tank.
12. TRA — Shall mean Tennessee Regulatory Authority.

Authorization of Rules and Regulations

King's Chapel Capacity is a corporation in good standing with the State of Tennessee and is organized as a privately owned public utility. King's Chapel Capacity operates under the auspices of a Certification of Convenience and Necessity issued by the Tennessee Regulatory Authority. King's Chapel Capacity submits the following statement of its Rules and Regulations in compliance with Rule 602.2.

Effect of Rules and Regulations

All provisions of these rules and regulations shall be incorporated in each contract with each wastewater system customer of King's Chapel Capacity.

Utility Items on Private Property

The company shall own and maintain all STEP and STEG tanks, control systems, and service lines required to provide sewer service on the customer's premises. The customer must execute an agreement granting an easement to the company for maintenance of the sewer system. The building plumbing and Stub-out line shall be maintained by the customer.

Discontinuance of Service

Service under any application may be discontinued for the following reasons:

1. Non-payment of bill as hereinafter set forth below.
2. For misrepresentation in the application.
3. For adding to the property or fixtures without notice to the company.
4. For molesting any service pipe, tank, control system, filter, or any property of the company in any way whatsoever.
5. For violation of any rules of the company.
6. For disconnecting or reconnecting service by any party, other than a duly authorized agent of the company, without the consent of the company.

Non-payment Penalties

A non-payment penalty of five percent (5%) of the monthly charge will be due after the due date shown on the bill. If payment is received within fifteen days after the due date, a written notice will be sent to the customer. If payment is not received within 15 days of the written notice, wastewater service will be turned off from the customer's property as per the Wastewater Subscription Agreement (Attachment #1) executed by the customer with no additional notice being sent. No service shall be reconnected if discontinued for non-payment (or any valid reason) until all charges have been paid, including disconnection and reconnection fees. The disconnection fee is \$10.00 and the reconnection fee is \$15.00.

Returned Checks

A check returned by the bank will incur a fee of \$20.00.

Changes in ownership, Tenancy of Services

A new application and agreement must be made and approved by the Company on any change in ownership of property, or in tenancy, or in the services as described in the application. In the event of failure of a new owner or tenant to make such application, the company shall have the right to discontinue service until such new application is made and approved.

Security Deposits

Each new customer, before connection or reconnection of the service, will be required to make a refundable deposit to secure payment of sewage service bills in an amount of \$60.00. Interest will be paid on deposits held by the company at the rate published in the *Federal Reserve Bulletin* for the preceding calendar year. Deposits will be held by the company as long as required to insure payment of bill. (TRA Rule 1220-4-4-.15(7))

Winter Water Usage Rate

Winter Water Usage shall mean the average amount of water used, as stated on the customer's bill for the months of November, December, January and February. When customer's bills are based on water usage, customers will receive summer bills (for usage in June, July, August and September) that are based on the average winter water usage. New customers that have not established winter water usage will be charged up to a maximum bill of \$125.00 until a winter water usage is established.

Sewer System Access Fee

The owner of each property parcel which is provided a tap or the availability of a tap, when the sewer system is built, will be required to pay a sewer access fee of \$84.00 per year. This fee will be payable each year by December 15th, for owners of record, as of December 1st. As each customer attaches to the sewer and signs up for service, they will pay a pro-rated access fee for that year and thereafter the fee will not be charged.

Engineering, Materials and Construction Standards

1. General — This specification covers the type of sewer system required for various design conditions of sewers constructed by developers. The requirements called for are minimum standards in all cases. Bedding conditions, material specifications, sealing requirements and installation methods are the responsibility of the Operator/Engineer and must be approved by the company. Design and construction of sewer lines shall meet the requirements of the State of Tennessee Department of Environment and Conservation (TDEC), in addition to this specification. Where conflicts exist, the more restrictive shall govern.
2. All sewage collection system components are to be water tight and free of Inflow and Infiltration. This includes Stub-out lines, all tanks, collector lines, service lines, and main lines. Collector lines and main lines are to be tested to 100 pounds per square inch of water pressure. Risers and lids are to be watertight.
3. STEP and STEG Tanks are to be installed near the building to be served. The tanks are to be set in a level condition and tested for water tightness before backfilling.
4. All pipe is to be PVC, classes and sizes will be per operator/engineer's design and in all cases SDR-21 class 2000 will be the minimum allowable.
5. Only wastewater drains are to be connected to the sewer system. No water sources such as roof drains, sump pumps, condensate lines and swimming pools shall be connected to the sewer system.

Special Pretreatment Sewage Requirements

For all sewage connections the company reserves the right to require any nonresidential user to provide special pre-treatment for any high strength effluent before discharge into its sewage system. The company may, upon the basis of recognized operator/engineering standards and treatment costs, increase the rate charged to cover the cost of treatment of high strength effluent, commercial or industrial waste, and may impose standards as to the maximum size of solids and constituents in such waste discharged into its sewage system.

Additionally, if excessive volumes of sewage are received, the company may require the customer to monitor flow volume and increase surge holding, treatment, and disposal capacity at the customer's expense. All customers will be required to follow the List of Required Practices (Biological Systems Users Manual) for an effluent collection system, supplied to them by Williamson County Capacity. (Attachment No. 2). These requirements prohibit the dumping of any toxic chemicals, non-

biodegradable detergents, whitening agents, or other non- environmentally friendly compounds that kill tank bacteria. Also prohibited is the disposal of an excessive amount of grease, paints, pesticides or other typical household items that consumers introduce into sanitary sewer and storm drains.

Damages

King's Chapel Capacity shall in no event be responsible for maintaining any Stub-out line owned by the customer, or for the damages created by sewage escaping there from, or for defects in the customer's building lines or fixtures. The customer shall at all times comply with all regulations of the Tennessee Regulatory Authority and of King's Chapel Capacity. All leaks in any building pipe or fixture on the premises of the customer shall be repaired by the customer. On failure to repair any such leak, the service may be discontinued until such repairs are made

In Event of Emergency

The Company shall not be liable to the customer for interruption in service, or for damages or inconvenience as a result of any interruption, stoppage, etc., which was beyond the reasonable control of Williamson County Capacity. In the case of an emergency, call 615-370-4432 or other provided service number.

Service Area

King's Chapel Capacity will only provide service within its current approved service territory as approved by the Tennessee Regulatory Authority.

Extension Plan

King's Chapel Capacity may furnish sewer service to property owners whose lands are abut the main line of existing sewer systems. The wastewater service charges listed in the sewer billing structure do not include costs for constructing the sewer system. Any wastewater system components required to service such abutting properties shall be constructed at the cost of those parties desiring same, and these components shall become the property of King's Chapel Capacity, to be credited to the account for Contributions in Aid of Construction. In addition, treatment system component costs will be paid by the customer desiring to hook on to the system. Wastewater service to new areas within a service territory will be made available where it is technically feasible and the developer or property owner is willing to bear the expense of designing and building the sewer system.

Contributions in Aid of Construction

Wastewater system components furnished by developers and landowners to King's Chapel Capacity will be recognized as Contributions in Aid of Construction in the amount of actual construction cost

Contracts for Services

Each customer, before installation of service, shall be required to execute a sewer service agreement with King's Chapel Capacity.

Customer Billing

Customer billing may be different from area to area. If the area is serviced by a utility water service, the water provider will be requested to provide billing services. For flat fee areas a coupon book will be provided on an annual basis with monthly statements. Water bill comparisons or metering may be employed if higher water usage than typical is suspected.

In cases where pass through treatment costs and commercial customers are involved, a monthly bill will be sent to the customer and will be based on the gallons of water consumed.

Public Contact

John Powell, President
King's Chapel Capacity
1413 Plymouth Drive
Brentwood, TN 37027

Phone: 615-370-4432

Tennessee Regulatory Authority Regulations

Williamson County Capacity in its operation, shall conform to all applicable rules and regulations promulgated by the Tennessee Regulatory Authority. Phone 1-800- 342-8359.

SEWER SUBSCRIPTION CONTRACT

Printed Name

Address of Property

Mailing Address

Telephone Number

I hereby make application to King's Chapel Capacity for wastewater service at the address of property stated above. In consideration of the undertaking on the part of King's Chapel Capacity to furnish wastewater service, I understand, covenant and agree as follows:

1 I understand that components of a wastewater system have been installed on the property referred to above, which is owned or occupied by me, and which is to be connected with a wastewater disposal system owned and/or maintained by King's Chapel Capacity. I warrant that any connection to and/or subsequent use to this system by the components on my property shall be in accordance with the Rules and Regulations and Plans of King's Chapel Capacity. Regarding my usage of the system components on my property, which are owned by me, I covenant to follow the guidelines set forth in the Biological Users Manual (List of Required Practices). Should I violate these Rules and/or abuse or damage my components, I understand that I must bear the expense to repair or replace the same in accordance with the Plans of King's Chapel Capacity.

2 I acknowledge King's Chapel Capacity, its successors and assigns have a perpetual easement in, over, under and upon the above specified land as shown on the property plat, with the right to operate and repair all components of the wastewater system on my property, including but not limited to the septic tank, the STEG (Septic Tank Effluent Gravity) or STEP (Septic Tank Effluent Pumping) system. I further grant King's Chapel Capacity permission to enter upon my property for any reason connected with the provision or removal of wastewater service or collection therefore.

3 For all other plumbing and structures on the property, including the out fall line to the septic tank, I agree that I am responsible for all operation and repair thereof.

4 I hereby authorize King's Chapel Capacity to purchase and install a cutoff valve on my side of my water meter and grant King's Chapel Capacity exclusive right to use such valve in accordance with its Rules and Regulations. However, the use of this valve does not in any way relieve me of my obligation to pay for water service to the service provider.

5 I understand and agree to pay a security deposit of \$60.00, to promptly pay for service at the then current schedule of rates and fees and agree to abide by and be subject to King's Chapel Capacity's billing and cutoff procedures. Should I not pay in accordance with King's Chapel Capacity's Rules, I agree to pay all costs of collection, including attorney fees.

6 I accept the current Rules and Regulations and the Rates and Fees Schedule and agree to abide by any amendments to such Schedules.

7 I agree that this Agreement shall remain in effect for as long as I own, reside upon or rent the above-described property. When such circumstances no longer exist, I agree to provide notice to King's Chapel Capacity at least thirty (30) days in advance of my vacating the property.

Subscribers Signature

Date

King's Chapel Capacity

List of Required Practices

BIOLOGICAL SYSTEM USER MANUAL

The ability of your natural and biological systems performance is affected by the materials introduced into the system. The following is a summary of some of the items that are bad management and good management practices. A knowledgeable user can prevent premature failures and eliminate costly repairs

Items that cause problems and failure of this system are:

- Garbage disposal use
- Excessive sludge or scum accumulation in septic tank
- Improper fabric softeners and whiteners
- Grease and oils from cooking and washing
- Hair
- Disposable and non-disposable diapers, rags, cigarette butts, coffee grounds, feminine hygiene products, plastic and rubber products, condoms, and chemical cleaners
- Any non-biologically degradable substances
- Water usage over design limits

A properly maintained septic tank provides a high degree of treatment and yields an effluent that is relatively free of grease and solids that can clog the effluent. The best practice is not to discharge anything into a septic system that is poisonous or that may inhibit the abilities of the biologically functioning septic tank. A good rule of thumb should be to not discharge anything into the system that can not be ingested. This would not include toilet paper and mild detergents

The following management practices and recommendations should be followed:

GOOD MANAGEMENT PRACTICES

- Communicate with the operator or the operator's assistant (Operator) if anything about your system is out of the ordinary. Upon the first indication of a visual or audible alarm, call the Operator
- Contact King's Chapel Capacity prior to the installation of any new landscaping or the construction of permanent structures. It will be critical to coordinate any work to ensure that the integrity of the biological system and lines are protected.
- Maintain toilet bowl hardware so as to prevent leaky conditions and excess water use and waste.
- Collect grease in a container rather than pouring down the drain.

POOR MANAGEMENT PRACTICES

- Don't connect rain gutters or storm drains or allow other surface water to get into your septic system.
- Don't use excessive quantities of water. Use water saving devices such as low flow shower heads and low volume flush toilets.
- Don't allow toilets to become a problem. Repair leaky toilets, faucets, or plumbing fixtures (leaky toilets can result in flows of 1,000 gallons or more per day).
- Don't dump recreational vehicle (RV) waste into your septic tank.
- Don't flush undesirable substances into the sewer **Flushing flammable and toxic products is a dangerous practice.** Other materials such as paper towels, rags, newspapers, cigarettes, coffee grounds, egg shells, sanitary napkins, condoms, large amounts of hair, and cooking grease are a maintenance nuisance and will result in frequent pumping of septage from the tank.
- Don't use garbage disposal systems to dispose of non-biodegradable materials because they increase the amount of solids entering the septic tank and will increase the frequency required for septage pumping. **Do not pour grease down the drain.**
- **Don't drain water softener backwash into the tank.** The backwash brine contains high levels of chlorides that can destroy the balance of the biological system, affect soil performance, and break down components of the system. The brine solution also interferes with the solid's sedimentation that occurs in the tank.
- Don't use special additives in your tank **Additives do not improve the performance of the septic tanks and can cause major damage to other areas in the collection and treatment system.**
- Don't flush cat litter box medium down the toilets.

King's Chapel Capacity

Wastewater Service Tariff

TRA #3
Residential Services

King’s Chapel Capacity
TRA #3
Wastewater Tariff

Sheet #1
Effective Date: _____

**King’s Chapel Capacity
Wastewater Service Billing Summary**

System	Monthly Charge
Ashby Communities – Sheet 2	\$40.22

**King's Chapel Capacity
 Ashby Communities Billing Rates**

	Monthly Charge	Escrowed Amount
Collection System Operation and Maintenance (Tariff Items 1 – 4)	\$8 95	\$6 35
Treatment System Cost (Tariff Items 5 – 7)	6 23	2.90
Utility Cost (Tariff Items 11 and 13)	1 30	0 00
Disposal System Cost (Tariff Items 15 – 17)	1 53	0 88
Sampling and Testing Cost (Tariff Item 18)	7.00	0 00
Billing and Collection Cost (Tariff Item 20)	1 50	0.00
Miscellaneous Cost (Tariff Items 21 – 30 excluding Bonding)	8 60	0 00
Bonding Cost (Pass Through) **	5 11	0.00
Total	\$40.22	\$10.13

Incidental Rates:

Late Payment	5% of Bill
Disconnection	\$25 00
Reconnection	\$15.00
Returned Check	\$20.00
Access	\$84.00

**** Bonding Cost incurred is passed through to the customer with no markup by the Company.**

Total Bonding Cost

Amount of Bond	\$1,649,748
Interest Rate	1%
Number of Lots	269
Months per Year	<u>12</u>
Total	\$5.11